



The Adoption Subsidy Program in Michigan uses its own agency policies to narrow federal law, thus denying access to federal funds guaranteed in Title IV-E regulations. Michigan's administrative law judges openly refuse to admit these regulations. According to Title IV-E, if a child was eligible for a Title IV-E support subsidy prior to adoptive placement, and if only one of at least six bases is met, then the child can now receive the federal support subsidy, paid retroactively to the date of placement in the adoptive home, at the rate he would receive if he were in foster care today. (Title IV-E, Sections 8.4G and 8.2D.4) According to DHHS, adoption subsidies are "authorized entitlements", and MUST be paid by the U.S. government if the child qualifies. According to DHHS and Chief Justice Maura Corrigan, Michigan is so out of compliance that the state stands to lose up to eight percent of its federal funding and pay additional fines to the U.S. government. Compliance would help both families AND the Adoption Subsidy Program.

Summary for March 1 hearing

1. Intro to nuclear family

- A. David—engineer, Ann: registered nurse, both MSU. Nathan: Now age 20, was 9 with first adoption: very bright, with score of 96% percentile in science. Sam: Now age 17, was 6 with first adoption. Multiply-handicapped: mental impairment, cerebral palsy, epilepsy, others. Healthy family, but stressful due to Sam's impairments. One income—David at GM.
- B. 1993: Completed home study with Child and Family Services in Lansing. Documented: we didn't want to adopt children who were mentally impaired, severely disturbed, or physically handicapped.

2. Intro. to other children

- A. August, 1994: Began occasional respite care for 3-10 days at a time for sibling group of three children, while foster parents went on vacation. Beautiful, but strange: hyper-vigilant, blank/numb, NO eye contact, hated to be held or touched, like ghosts. Profound neglect: no speech by any of them at ages 1, 2, and 3, one child almost starved to death.
- B. March, 1995: Cared for infant, age 4 months for ten days. Was to be adopted by another family in Perry, but adoptive dad died. Offered to us after several weeks, said yes. Told he was healthy, with risks at late adolescence for symptoms of bipolar disorder or schizophrenia from parents' mental illnesses. Weren't told: showing active symptoms of alcohol withdrawal, 20 of 27 symptoms of severe RAD, and distinct facial features of fetal alcohol syndrome. Weren't told of birth-mom's "highest possible level of alcohol intake", parents' drug use. Weren't told that four members of dad's family had schizophrenia. Weren't told of the subsidy program. Weren't even told that the baby was black. No paperwork given to us. A month later: adopted baby. Appeared "odd", but was very sick.
- C. August, 1996: adopted sibling group of three kids with low-level subsidies due to "sibling group, Hispanic, long time in foster care." Placement worker didn't tell about foster home behaviors: animal cruelty, hours-long rages, head-banging, self-mutilation, etc. Didn't tell us of parents' drug abuse during pregnancy, or physical abuse of children. She didn't get mandated psych. evaluation, didn't get good physical exams of children who almost died of starvation. Didn't tell us that boy had looked like he was from Biafra from protein deficiency, one girl hospitalized for starvation. Didn't give us ANY info to read before placement. Fraudulent adoptions: Told us the children were normal except that girls' had "speech problems". In 2005: She testified that she knew at the time of the adoptive placements that the children were "severely disturbed and mentally impaired", but cheerfully stated that she placed them with us because "I knew this was the best family for these children."

In August, 2005—six months ago--the baby, now 11, was diagnosed with FAS; should have been diagnosed shortly after birth. In November 2005—only four months ago—three of the children were diagnosed with a serious genetic condition, with risks for vision loss, multiple tumors and

cancers, or other illnesses, and requiring many medical appointments. One of the children was diagnosed at the same time with cerebral palsy. These should have been caught while they were in foster care, but the social worker did not bother to obtain good medical care for them, because "they looked like they were doing better." The current director of adoptions and foster care at Child and Family Services testified that this was negligent, in a hearing in Jan. 2005.

E: Behaviors in four children since 1996: Stealing—daily: food, money, candy, electronics, underwear, etc., chronic passive-aggression, destruction of much furniture, animal cruelty, defecating in buckets in barn, intentional urination in the house, tearing car apart inside and out, cutting new clothes, blankets or toys apart within minutes of receiving them. Self-mutilation: nosebleed in bedroom. Eventually escalated to blatant animal torture, finally including dead animals. No conscience, didn't learn from their experiences. Multiple attempts to murder family members, including stabbing, hanging, cutting, choking, arson attempts, trying to blow house up. One example of murder attempt: tapping top of canning jar with hammer, suicide attempts. One child may have raped another child in the home on Mother's Day in 2005. He is receiving intensive therapy for juvenile sex offenders. (treating him as if it did happen.)

3. Parenting—tried everything, knew we were good parents. Identified problem in 2002 with internet search—mental illness common in neglected and abused children. Found appropriate therapist and began weekly trips to Grand Rapids. For a while, children's behaviors escalated in response to therapy. ("normal")
4. Therapist suggested that I request medical subsidy contracts to help pay for three kids' therapy, and to request other services. Received medical subsidies for three children.
 - A. 2/02: Requested in-home services: Kate Young, director said "Must in be 'Abusive Parent Program.'" I withdrew the request. (No such thing.) When the therapist requested it 18 months later: approved, with no mention of a fictitious "abusive parent program."
 - B. August, 2002: Requested financial assistance for therapy in Ohio, V. Jones said it wasn't available, then hung up on me. Called Kate Young—it WAS available, but didn't say that other costs could be covered—hotel, food, gas. Paid thousands in associated expenses over the next 18 months. I have a document from Pedro Alvarez to another therapist, stating that these expenses can be paid. Kate Young still ignores requests to deal with this.
 - C. September/October 2003: Heard about post-adoption Title IV-E subsidies from other parents on internet —made requests from the program for one child for a subsidy, for higher subsidies for three others. Program staff repeatedly ignored the requests, in violation of Title IV-E and state law.
 - D. September, 2003: Requested payment for respite, i.e. "placement outside the family home" to preserve one adoption. Kate Young said, "I've heard of that", asked me to send some info to her, and said that she'd get back to me, but never did. Didn't tell me about a specific six-page protocol in the Adoption Services Manual on this. In January, 2005, Judge Landis Lain

specifically told Pedro Alvarez to get together with Mrs. McNitt and those receipts in the next two weeks, and see what you can pay." He did not, although he acknowledged my phone calls, and Martha Ballou acknowledged the Judge's order. Two months, later, I received a written denial, because, "you didn't follow the directions to get the service." Kate Young had refused to give the directions for over 18 months. Spent thousands of dollars on this, have requested a hearing several times since then, but Kate Young still ignores requests over two years later.

- E. Fall-Winter, 2003: Requested for payment for therapy in Ohio. Ignored by Veronica Jones.
- F. September, 2003: Requested medical subsidy for youngest child: request ignored for four months (usual is 4-6 weeks) Finally went to office in person in January, 2004, guard called upstairs, I spent 45 minutes in lobby with 5 handicapped kids in 10-degree weather while they ignored us. Finally went upstairs while kids waited ten more minutes. Bill Johnson angrily yelled at me and asked why I was there. I told him, "to get the medical subsidy." Melanie began to accuse me of forging a letter from the therapist, then stopped when I said that they had already received the original from her the previous week. I told B. Johnson that the case worker was back-dating letters to make it appear that she was responding in time, he said that the problem was the mailroom—"it can take up to two weeks to get a letter out." I called the mailroom—the mail goes out twice daily. They finally gave us the medical subsidy after another month, and paid the therapy expenses.
- G. 2003: Requested training funds and medical equipment for neurofeedback for four kids—I didn't know that training funds were available from fed government under Title IV-E, Section 8.1H, but made the request. Medical equipment funds are available under Adoption Subsidy Program policy. Staff ignored request until I called their office repeatedly two days before leaving for conference. Bill Johnson called and said, "We don't pay for training or medical equipment." Went to the conference, paid for it ourselves. Neurofeedback: closest available provider in Grand Rapids, we couldn't go daily, and couldn't afford co-pays totaling \$30,000/year. Doing it myself saves the state of Michigan up to \$64,000 per year, because the Program will pay for the service, but Kate Young denied payment for the training and equipment, at a one-time cost of \$10,000.
- H. I requested a hearing several times on training and medical equipment and the adoption subsidy for three children, multiple times. Finally had a hearing:
After 90 minutes, Judge Jay Sexton said that it would be done at 5 pm that day—no time to present case.
 - called me "Mrs. McNutt" all day, and yelled at me
 - threw out my main witness for coughing
 - harassed my witnesses when they tried to testify so that I stopped questioning them. One later told me, "I feel like I was raped."
 - told me repeatedly that I had no right to be there, that I was wasting

his time, and that I didn't know what I was doing.

--When I asked him to deal with the false statements made by V. Jones , he yelled at me, "What do you want me to do? Do you want me to take away her vacation days? Do you want me to dock her pay or slap her hands?" I just wanted him to tell her that she had to tell the truth. He didn't swear her in until after 4:00 p.m.

--Openly stated in the hearing and in his written denial that he refused to consider the federal law which was the basis for the request.

-- Months later, in preparing the appeal, our attorney asked me to review the transcript of the hearing. Before doing so, I made a list of the most outrageous and abusive of the judge's statements. None of the statements was present in the transcript—they were gone from the tapes before they went to the transcriptionist, who specifically noted the large number of skips in her final comments. Fortunately, I have affidavits from witnesses.

- I. I complained about the Judge's abusive behaviors to the Governor's office and was awarded a new hearing, in January, 2005. We lost again, because Judge Landis Lain, the director of Administrative Hearings, openly refused to consider federal law, even though the U.S. Supreme Court, the Constitution, the 6th Circuit, and Title IV-E all require her to consider federal law as pre-eminent. In the hearing, Program staff member Martha Ballou stated that they didn't pay for training for adoptive parents, even after we provided documents given by their office to the federal government stating that they do, and did in that year. The judge refused to affirm for the computers which were part of the medical system, stating that they were "educational", although she had said during the hearing that they were "medical equipment." ***The judge was required to issue a recommended decision to the director of DHS, but did not. We were entitled to a final decision from Mrs. Marianne Udow, but never received it, as the judge violated agency policy by issuing a final decision, and not a recommended decision, against Mrs. Udow's direct command and against agency policy in CFA 744. For post-adoption subsidy hearings, the ALJ may issue ONLY a recommended decision. Both issues are now going to Probate Court, in blatant violation of Adoption Subsidy Program policy in CFA 744, on page 3. Also, Judge Lain ignored our evidence. There were approximately 1,200 pages of evidence in our twelve three-ring binders, and it is probable that she didn't read our closing argument. Her 34-page decision came out only 4 days after our 34-page closing arguments were submitted. It dealt with almost nothing mentioned in our documents, even defying federal commands to the State of Michigan, included in our body of evidence.***

Judge Lain ordered that some parts of the medical equipment were to be considered for payment, but the way it was worded, accepting the money means that we accept the decision on the computers. It's under appeal.

- J. In 2005, after 12 requests in 18 months, we finally had a hearing on the matter of an adoption subsidy for Gabriel. Now 11 years old, he is severely handicapped, has ten separate diagnoses, and has no subsidy. In

that hearing, Martha Ballou and the "expert witness" from the Adoption Subsidy Program agreed that he had met the eligibility requirements for the Title IV-E subsidy before the adoption, AND that there is NO documentation proving that we knew about the subsidy program before his placement. According to Title IV-E, Section 8.4G, he is entitled to the subsidy now on those specific bases, retroactive to the date of placement in the home. In that decision, Judge Lain denied the request by ignoring Title IV-E, and by using policies which have been cited by the government for violating Title IV-E. Some of these have been represented to the federal government as no longer being in use. Chief Justice Corrigan, the auditor general, and DHHS have all cited the Adoption Subsidy Program for continued violations of Title IV-E, risking up to 8 percent of their federal funding. They keep eligible children from funds which the federal government says are mandated to be provided as, "authorized entitlements." This was clearly presented in our evidence. We have asked for a re-consideration on that decision.

- K. In summer 2005, I requested payment for "placement outside the family home" for one of the children. One business day after the Program received my request, Clinton County Protective Services called, demanding interviews with the children. Other parents have told me the same thing—they request certain services from the Subsidy Program, and the county Protective Services officer calls within a few days. I promised to cooperate if he could give me a good legal basis for the request, but he couldn't. Then he e-mailed to another DHS employee that I was "uncooperative." Eventually, Subsidy Program staff agreed that we HAD met the requirements for the placement, but refused to pay, saying that the people with whom our son was staying were not a "licensed residential treatment center." (There is no requirement for that in the policy, and the woman caring for our son had already called and been told by Licensing and Regulation that it was not necessary to be licensed.) Within several days, she received phone calls and visits from her local sheriff department; they were looking for a child, and threatened to prosecute her for "operating an unlicensed residential treatment center"—the same terminology used by the Program staff in denying the request for payment for our son's placement. We brought him home against the advice of four therapists, because we didn't want our friend arrested. The therapists wanted him left where he was, because it was appropriate to have him there. Meanwhile, we paid almost \$10,000 for his placement. However, it would have cost the state of Michigan much more over 5 months if he had been in any other placement. They were also required to tell us that he could be placed with a family member, but they didn't, and have not yet done so.
- L. Service providers have been paid late or not at all. One has repeatedly received checks that could not be cashed, as they were post-dated. Once, she was paid only after she called and threatened to have her attorney-husband file suit. Our son's psychiatrist has not been paid for services

since June, 2005. We received payment only last Friday for our son's medications purchased in November. Strangely, in the four business days before this hearing, we have received four checks, after waiting for months for payment on those specific requests. There are still many outstanding items to be reimbursed.

- M. Some time ago, the agency changed the names of some services, and tells parents that the services are unavailable, in violation of FOIA. "Respite" has been changed to "temporary out of home placement", and to "placement outside the family home." If I call and ask for respite, they say, "We don't pay for respite", although they have told DHHS that they do. One woman who works in advocacy for adopted children told me that she heard an Adoption Subsidy Program staff member openly say at a conference that the name "respite" was changed specifically so that parents wouldn't "rape the system", i.e. obtain too many services.
- N. In March, 2004, after requesting a subsidy for our youngest child, Mr. William Johnson of DHS made a list of funds paid out for the other children, then used that list of funds as a basis to refuse the subsidy request. His actions violated Title IV-E and the Michigan Mental Health Code. Then, he sent that list to others who had no right to know the children's diagnoses or the funds paid out for their treatment, in violation of the HIPA Act and of various other federal and state laws. Federal law specifically disallows the use of a financial means test to deny Title IV-E support subsidies, but they have done so. Mr. Longino Gonzales quoted that list in his denial of a subsidy hearing for our son Gabriel.
- O. In the summer of 2004, I requested reimbursement of transportation expenses, available under Program policy. My request was ignored.
- P. In April, 2004, Mr. James Herrinton, a member of the public, wrote to express his concern about the treatment of our family by the Subsidy Program. Mr. Longino Gonzales wrote back, but made several false statements to Mr. Herrinton in his response. Mr. Herrinton is my father.
- Q. Starting in July 2005, I requested several documents under the Freedom of Information Act. Under FOIA, there are specific timelines which must be followed in responding. Some documents took almost two months to reach me, just late enough to cause me to not be able to use them in a subsidy hearing.
- R. In January 2005, I submitted several medication receipts for reimbursement to our caseworker, Cathy Hoover. Agency policy: receipts must be submitted within four months of the date of service. Four months and three days after the last date of service, she wrote to tell me that I didn't submit the receipts. I wrote and told her that I had proof that the office had received them two months earlier; they were miraculously "found", and reimbursed. Another parent has told me of the same experience.
- S. In June 2005, I received a letter from Ms. Hoover canceling payment for the children's therapy until I could prove that there was no private insurance for it. It took several weeks to obtain the documents proving that

there was no private insurance, and the children's therapy was disrupted for several months. Later, Ms. Hoover told me on the phone that it was "routine" for the Program to cancel payment for therapy every year. Our children had been in therapy for three years, and this was the first time for this to occur. This violates the Michigan Mental Health Code. There is no such "policy" in the Adoption Services Manual. Ms. Hoover has ignored my requests for a letter stating that this is a policy, even after promising in that conversation to do so.

- T. According to DHS policy, childcare and transportation reimbursement are "a right of the customer" during administrative hearings, just as there is a right to a lawyer or an interpreter. I gave a written request for this to Judge Lain during the hearing, expecting that she would simply send on the request to the person who writes the checks for the department. Instead, she turned it into a judicial decision, made up several more requirements, and denied the request by citing my failure to meet those added requirements. One of the reasons given was that I had failed to state the request out loud. Actually, I tried, but she interrupted me.
- U. In late December 2005, I requested training funds available under Title IV-E, Section 8.1H. There would be no cost to the State of Michigan. There was no response. I mailed the second request in late January, 2006. In February, I received a letter from Director Kate Young, dated over a week earlier, stating that my request was sent on to the "Office of Training and Staff Development." I called DHS--there is no department by that name, and the person with whom I left a message to ask about this has not returned my phone call.
- V. In August, 2005, Dawn Timm of the Clinton County DHS promised to present my family's situation at the late September wrap-around services committee so that we could have some help. I heard nothing since then. I wrote to her recently and asked about this. She said, "You didn't fill out the paperwork"—she never told me about paperwork.
- W. With the new diagnoses for the children, we have from five to ten medical appointments per week. Yesterday, for example, we had five appointments for the children, including four in Detroit. We have paid over \$60,000 in out-of-pocket mental health and medical expenses for the four adopted children in the last four years, and these expenses continue. We are currently using my husband's retirement funds and our life insurance policies to re-pay loans to cover these costs. I go to Goodwill and the Salvation Army store for many Christmas and birthday gifts for the children. For five months last summer, we paid \$3,200 per month out-of-pocket for mental-health related expenses for the four children. I have called the Clinton County Sheriff Department for road-kill deer, to free up money for medical expenses. We are running out of money. Other friends have openly told me that their handicapped adopted children have caused them to go bankrupt, and that they also cannot get services from the Subsidy Program. During all of this, we have been dealing with our

handicapped birth son's medical needs, including many trips to the emergency room, and even doing mouth-to-mouth resuscitation after a grand mal seizure.

- X. Our original family is suffering terribly. My husband has gained about 80 pounds since the adoptions, and has uncontrolled high blood pressure. I have gained about thirty pounds, and have a torn shoulder muscle which may require surgery, from holding a child during rages while she tried to hurt herself. The physical therapist helping me with my shoulder told me that other joints in my body are damaged for the same reason. I have chronic insomnia, and am unable to be around families with normal children for more than an hour or so, as we have five severely-handicapped children. Our older birth son is depressed, stays away from home as much as possible, and is struggling with basic life decisions. Our younger birth son comes home from school and falls apart because his adopted siblings have made his home life distressing for him over the last ten years. All four of us have been diagnosed with "Post-Traumatic Stress Disorder". On the other side, one of our adopted children is doing quite well. She has a chance of finishing high school, and living on her own, due to our commitment to getting her appropriate therapy and providing the very specialized therapeutic parenting needed for this specific mental illness. Last year, she told me, "Mom, I'm doing a lot better. I'm not trying to kill you anymore." She tells me that she loves me, and means it. I am proud of her, as she is slowly becoming a responsible and respectful young woman. But she still has occasional rages lasting for long periods, and still steals frequently and intentionally wets her bed. She has a long way to go, but she is the most healthy of the adopted children. I hope that none of you ever hears your child tell you that he's doing better because he's no longer trying to kill you. None of our children asked to have the specific brain damage which causes their symptoms. That fact helps my husband and me to continue our commitment and our love for them.
- Y. Title IV-E is wonderful and compassionate—it recognizes that handicapped children cost more to raise, and that adoptive parents need more tools in their toolboxes to raise them. The stated intent of the law is to "combine with the parents' resources to provide for the day-to-day costs of raising the child." It is not enough for the Subsidy Program to provide only for occasional medical costs. The Subsidy Program cites the money paid under medical subsidy agreements as a reason to deny access to federal funds, but this is illegal. DHS steadfastly refuses to acknowledge their mandate under federal law. The occasional payment of medical expenses is just a "nickel solution for a hundred-dollar problem."
- Z. Adoption in Michigan is shameful. It starts with the Program's violation of 45 CFR 1356.40(b)(3)—the nature and amounts of all services and funds are required to be listed on the subsidy contract, but aren't, so parents don't know what's available, and the Program staff members lie to them, or don't respond to requests. Four children were fraudulently placed into our home. I request help from the governor's office, and they ignore

my letters. DHHS has told the Subsidy Program to deal with the issues for the McNitts and to tell them the results-- they refuse to meet with me or to respond to my letters. Because of continued violations of federal law, Michigan will lose up to 8 percent of funds—many millions of dollars-- and families will continue to suffer. According to various federal laws regarding services to handicapped individuals, federally-funded agencies providing services to the handicapped may not refuse to deliver those services or funds, if eligibility requirements have been met. Our state could be an example to others of how our most vulnerable citizens – handicapped orphans—are placed into loving families. Instead, adoptive parents here know that Michigan is a place where severely disturbed and otherwise-handicapped children are dumped into unsuspecting families in order to get them off the public rolls. This is a disgrace. My husband and I love all of our children, and we are committed to them, but we're exhausted. Please start by codifying federal Title IV-E regulations into state law. Then demand that Mrs. Udow fire employees who refuse services to eligible families, in accordance with DHS policy, and find people with a heart for these children. Becoming compliant with federal law is a win/win situation for both the State and for families. Thank you very much for listening to my long statement today. I will be praying for you as you respond to these hearings.